

State of California  
Business, Transportation and Housing Agency  
Department of Transportation

POLICY MATTERS  
TCRA Exchange Program  
Resolution:

CTC Meeting: February 28, 2002

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**TRAFFIC CONGESTION RELIEF ACT EXCHANGE PROGRAM**  
**AMOUNT AVAILABLE FOR EXCHANGE 2001/02**

**BACKGROUND**

The Traffic Congestion Relief Act (TCRA) Exchange Program was established by Chapter 91, Statutes of 2000, Streets & Highways Code, Section 182.8. This program provides regional agencies with the ability to exchange a portion of their locally controlled federal Congestion Mitigation and Air Quality (CMAQ) and/or Regional Surface Transportation Program (RSTP) funds for state funds from the Traffic Congestion Relief Fund (TCRF). Guidelines for the TCRA Exchange Program were adopted at the California Transportation Commission (Commission) February 2001 meeting. The Commission is required to notify the regional agencies annually of the amount available for the TCRA exchange program.

**DISCUSSION**

The Traffic Congestion Relief Act Exchange Program will be active each year only if:

1. adequate funds are available for exchange in the Traffic Congestion Relief Fund,
2. delivery of Traffic Congestion Relief Program (TCRP) projects funded from the TCRF is not jeopardized, and
3. the Department can obligate the exchanged funds prior to the end of the Federal Fiscal Year.

Under this program, regions may exchange up to 50% of their apportionments and associated federal obligational authority at the federal obligational authority (OA) rate for the year. In return, the Regional Agencies receive state funds at a ten percent discount of the OA exchanged. The standard program timeline (dates are extended if the distribution of federal apportionments and OA are delayed beyond November 1 – current year apportionments have not yet been released) is as follows:

1. Commission Notification of Available Funding and Amount of Federal Funds that the Department can use - by January 5
2. Regional Agency Notification of Available Funding - by February 1
3. Applications Submitted by Regional Agencies - by March 15
4. Commission Action - by May

In Fiscal Year 2001-02, all of the program conditions have **not** been met. The TCRF will **not** have sufficient funds to provide for an exchange program this year. Because of the TCRP refinancing to support the General Fund, the TCRF will continue to borrow from the PTA and the SHA to maintain

cash flows to support the delivery of TCRP projects. Consequently, there are no funds available for the exchange program. The exchange program must be suspended until sufficient funds are available.

**RECOMMENDATION**

The Department recommends the Commission approve the suspension of the next cycle (Federal Fiscal Year 2001-02, ending September 30, 2002) of the TCRA Exchange Program.